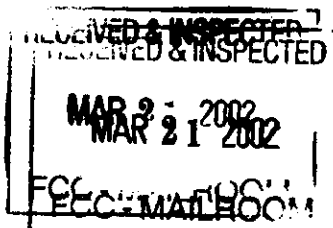


DOCKET FILE COPY ORIGINAL

October 18th, 2001

Magalie Salas
Federal Communications Commission
Office of the Secretary
445 - 12th Street, S.W.
Room TW-A325
Washington, DC 20554



RE: In the Matter of Request for Review of the Decision of the Universal Service Administrator by Taloga Indep School Dist 10 Under FCC Docket Nos. 96-45 and 97-21

Dear Ms. Salas:

Enclosed please find the original and four copies of the Request for Review of the Taloga Indep School Dist 10 in the above-referenced matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Chris Webber'.

Chris Webber
CRW Consulting, LLC
1626 E. 54th Place
Tulsa, OK 74105

Number of Copies to AG 04
BAG CODE

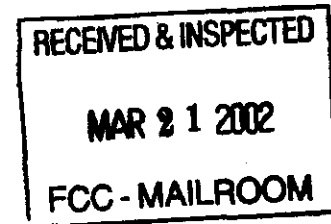
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$463.68	
23f. Annual non-recurring (one-time) charges: \$0.00	23g. Ineligible non-recurring amt.: \$0.00
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$463.68	
23j. % discount (from Block 4): 70	
23k. Funding Commitment Request (23i x 23j): \$324.58	

FRN: 610662	
11. Category of Service: Internet Access	12. 470 Application Number: 980440000337459
13. SPIN: 143015254	14. Service Provider Name: OneNet
15. Contract Number: n/a	16. Billing Account Number: n/a
17. Allowable Contract Date: 01/16/2001	18. Contract Award Date: 01/16/2001
19a. Service Start Date: 07/01/2001	19b. Service End Date:
20. Contract Expiration Date: 06/30/2002	
21. Attachment #: 3	22. Block 4 Worksheet No.: 274956
23a. Monthly Charges: \$400.00	23b. Ineligible monthly amt.: \$0.00
23c. Eligible monthly amt.: \$400.00	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$4,800.00	
23f. Annual non-recurring (one-time) charges: \$2,000.00	23g. Ineligible non-recurring amt.: \$0.00
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$2,000.00	
23i. Total program year pre-discount amount (23e + 23h): \$6,800.00	
23j. % discount (from Block 4): 70	
23k. Funding Commitment Request (23i x 23j): \$4,760.00	

FRN: 610672	
11. Category of Service: Telecommunications Service	12. 470 Application Number: 980440000337459
13. SPIN: 143002384	14. Service Provider Name: Dobson Tel. Co.
15. Contract Number: T	16. Billing Account Number: n/a
17. Allowable Contract Date: 01/16/2001	18. Contract Award Date:
19a. Service Start Date: 07/01/2001	19b. Service End Date: 06/30/2002
20. Contract Expiration Date:	
21. Attachment #: 4	22. Block 4 Worksheet No.: 274956
23a. Monthly Charges: \$196.27	23b. Ineligible monthly amt.: \$0.00
23c. Eligible monthly amt.: \$196.27	23d. Number of months of service: 12
23e. Annual pre-discount amount for eligible recurring charges (23c x 23d): \$2,355.24	
23f. Annual non-recurring (one-time) charges: \$0.00	23g. Ineligible non-recurring amt.: \$0.00
23h. Annual pre-discount amount for eligible non-recurring charges (23f - 23g): \$0.00	
23i. Total program year pre-discount amount (23e + 23h): \$2,355.24	
23j. % discount (from Block 4): 70	
23k. Funding Commitment Request (23i x 23j): \$1,648.67	

October 18th, 2001

Letter of Appeal
Federal Communications Commission
Office of the Secretary
445 - 12th Street, S.W.
Room TW-A325
Washington, DC 20554



To Whom It May Concern:

Taloga Indep School District 10 ("School District"), by its representative, hereby seeks review of the determination of the Schools and Library Division of the Universal Service Administrative Company ("SLD") dated September 20th, 2001, denying funding for one specific FRN for selecting a telecommunications provider that is not eligible to receive universal service support because it does not provide telecommunication services on a common carrier basis.

Relevant information concerning this appeal:
Applicant Name: Taloga Independent School District 10
Billed Entity Number: 139945
Application Number: 249752
Funding Request Number: 610662
Funding Year: Year Four

I. Statement of the Facts

On July 23rd, 2001, the SLD, via funding commitment letter, informed the School District that FRN 610662 had been denied. The reason for denial was: "Service category has been switched from Internet to Telecom. This FRN is a request for Telecomm Service from a provider that does not provide telecommunications on a common carriage basis."

On July 26th, 2001 the School District appealed that decision. The School District believed that the SLD made an incorrect assumption based upon the materials (Attachment 3 from the 471 form) provided by the applicant. The School District had contracted for a service that provided both Internet Access and Distance Learning services from One Net, the state-run network in Oklahoma.

The applicant, in block five item 11, for FRN 610662, listed the category of service as 'Internet Access.' The SLD apparently made the determination that the entire amount requested was for Telecommunication services, and changed the category of service to "Telecommunication Service." This change in service resulted in the eventual denial of

(3)

OneNet Service Order Form

Billing Institution/Agency _____

Billing Contact _____ Title _____ Position _____

Billing Contact E-mail Address _____

Billing Address _____

City _____ State _____ Zip _____

Phone# _____ Fax# _____

REQUESTED CIRCUIT DUE DATE:

(NOTE: Please consider your LAN status when requesting Circuit Due Date as billing begins when circuit is made operational by OneNet staff.)

OneNet Service					
Single User Dial Up Annual		NA	\$180	\$15	
56Kbps Dedicated Circuit		\$200	\$2,400	\$350	
T1 Dedicated Circuit		\$400	\$4,800	\$500	
Data OC3 Dedicated Circuit		\$2,800	\$30,800	\$22,000	
Ethernet 10Mbps Dedicated		\$1,000	\$12,000	\$1,800	
Fast Ethernet 100Mbps Dedicated		\$1,750	\$21,000	ICB	
FOC3 Dedicated Access		\$2,000	\$24,000	ICB	
OC3 Dedicated Access		\$6,000	\$72,000	ICB	
Full Motion Video		\$2,000	\$24,000	\$2,000	
T-1 Data Fee		\$400	\$1,200	NA	
Compressed Video (Includes H.323 Video)	12	\$750	\$9,000	\$2,000	
OneNet Services for Government-Owned Hospitals					
T1 Dedicated Circuit		\$800		\$1,000	
Compressed Video		\$400		\$2,100	
OneNet Services for All Other Hospitals					
T1 Dedicated Circuit		\$800		\$1,000	
Compressed Video		\$1,000		\$2,100	

Existing fees were unbundled into Service Fee and Access Fee due to Universal Service Fund requirements

only \$400 IS FOR IA

Signature of Authorized Administrative Representative

[Signature]

Date 01/16/2001

funding because the SLD does not recognize One Net as a common carrier of telecommunication services.

On September 20th, 2001 the SLD informed the School District that it had denied funding for FRN 610662 for the reason: "the telecommunication provider you selected is not eligible to receive universal service support because it does not provide telecommunication services on a common carrier basis."

II. Discussion

At issue here is what procedures the SLD should follow when they find that the applicant has mixed two priority one service categories (a mix of Internet Access and Telecommunication Services) in one FRN. The SLD already has established procedures for how to process FRNs in which the applicant has mixed priority one and two services. As we will explain below, we believe that the SLD should apply their already existing 30% threshold rule to these situations.

The applicant had contracted with One Net for a service that included a T1 line for both Internet Access and Distance Learning, which was a cost effective means of securing both services for the district. The monthly cost of this service was \$750. Of this \$750 monthly charge, \$400 is for Internet Access, and \$350 is for the Distance Learning component of the service.

The SLD's decision, in the funding commitment letter, was that the entire FRN was for Telecommunication services: "*This FRN is a request for Telecomm Service* from a provider that does not provide telecommunications on a common carriage basis" (emphasis added). This is not true, the applicant excluded the \$350 portion of the monthly cost that was for Distance Learning, and actually wrote at the bottom of the attachment 3 submitted with the 471 Form: "ONLY \$400 IS FOR IA." Of the \$6800 requested under this FRN, \$4800 was for Internet Access. This fact has not been disputed by the SLD, and the documentation provided backs up this assertion (attachment 3 indicates the T1 Dedicated Circuit is \$400 per month, with a \$350 setup fee). Should the SLD now choose to dispute that the \$400 per month is for Internet Access, we ask for the opportunity to rebut that new contention.

The SLD, in their September 20th, 2001 Decision on Appeal Letter, focuses on the \$2000 one-time setup fee. The SLD states that because \$2000 is for a Telecommunication service, and not an ineligible service, they cannot remove that amount. The SLD fails to answer the School District's request to change the service category for only the \$2000 one-time charge that was made on the School District's July 26th, 2001 appeal letter. The SLD indicates that the applicant, according to the documentation provided (attachment 3 of the 471 Form) should have applied only for a \$350 one-time setup fee, and not the \$2000 one-time setup fee, consistent with the documentation provided. Because \$2000 of the requested \$6800 was for a telecommunication service, the SLD changed the category of service to Telecommunication Service from Internet Access and subsequently denied the FRN because One Net is not considered a common carrier by the SLD.

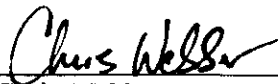
We do not believe this would place an unbearable burden on the SLD. The SLD already has in place procedures that allow the creation of a new FRN under a different service category than the applicant originally listed, if less than 30% of the original request was for Internal Connections (See <http://www.sl.universalservice.org/reference/ServCategories.asp>). We only ask that they do the same for all service priorities and categories. The SLD would not have to contact applicants to change the service category, because they already have on hand the documentation that led them to the conclusion that less than 30% of the FRN is for a different service category. The SLD could, as they do with Internal Connections, simply create a new FRN and place the amount that is less than 30% under a new service category. Allowing these types of changes would be easier to administer than the existing Internal Connection rules, no outreach to the applicant would have to occur because there is no discount threshold for priority one services.

Adopting the 30% change of service category rule for all service categories will allow for more accurate funding commitments (as it stands now, the \$4800 has been reclassified as a Telecommunication Service), would allow for more consistent and reasonable application of the rules (the \$1 example given above could be done away with by simply applying the 30% benchmark already established), and does not place an administratively large burden upon the SLD.

III. Requested Relief

For these reasons, the School District requests the Commission to instruct the SLD to consider \$4800 of FRN as Internet Access, and \$2000 as a Telecommunication Service, consistent with the procedures described above.

Respectfully submitted on behalf of
Taloga Independent School District 10

By: 
Chris Webber

CRW Consulting, LLC
1626 E. 54th Place
Tulsa, OK 74015
(918) 744-5079

Enclosures:
Attachment 3, 471 Application Number 249752
Page 3 of 4, 471 Application Number 249752

The School District contends that when the SLD determines that less than 30% of an FRN is for a different service category than what the applicant had originally listed, the SLD should consider only that portion of the service (the portion that represents 30% or less) under new service category, instead of considering the entire request under the new category of service. Obviously, in this case, the \$2000 one-time charge represents less than 30% of the requested \$6800.

The SLD has already established that when the applicant includes 30% or more of the funding request that is ineligible or a mix of priority one and two services, that funding request is sufficiently "tainted" to require a change of service category, or denial of the request if the 30% or more is ineligible (See "Eligibility of Service Requests" <http://www.sl.universalservice.org/reference/ServCategories.asp> :

If the Internal Connections are less than 30% of the request but the approved discount is less than the denial threshold, the request will be reduced by the cost of the Internal Connections since the Internal Connections would not be funded anyway and the Priority 1 services can be funded. If the Internal Connections cost is less than 30% of the request and the approved discount is between the funding and denial thresholds, PIA will contact the applicant and ask the applicant to choose whether to recategorize the request as Internal Connections or reduce the request to eliminate the cost of the Internal Connections.

We believe that it would be consistent, and in the interest of fairness and accuracy, for the SLD to apply this threshold to any service request, regardless of the priority of service. The SLD already applies a 30% standard for all FRNs, regardless of service category or priority of service, when looking for ineligible services. If less than 30% of the request is for ineligible services, the SLD will remove those costs attributed to ineligible services. Ironically, under the SLD's current interpretation, the School District would have been placed in a better position had they applied for \$2000 worth of ineligible services, rather than for services that are eligible under the Telecommunication Services category. Had the applicant applied for \$2000 worth of ineligible services for a FRN totaling \$6800, the SLD simply would have removed the \$2000 cost and left the remaining part of the FRN intact.

Additionally, the majority of the funding request (\$4800) is now incorrectly categorized as a Telecommunication Service by the SLD. The statistical data, and the reports about that data, that the SLD puts forth would be more accurate had they separated out the two different types of service.

Applying this 30% standard for service categories for all FRNs will also allow the rules to be applied in a more consistent and procedurally predictable manner. Under the SLD's current interpretation, if the School District had applied for even \$1 of Telecommunication services mixed in with \$6799 of Internet Access, the entire funding request would have been moved to the Telecommunication service category.